

# SENATE RECORD VOTE ANALYSIS

104th Congress  
2nd Session

Vote No. 180

June 27, 1996, 10:24 p.m.  
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## DEFENSE AUTHORIZATION/Strategic Stockpile Sales to Offset Fee Waiver

**SUBJECT:** National Defense Authorization Act for fiscal year 1997 . . . S. 1745. Cohen modified amendment No. 4369.

### ACTION: AMENDMENT AGREED TO, 74-18

**SYNOPSIS:** As reported, S. 1745, the National Defense Authorization Act for fiscal year 1997, will authorize a total of \$267.3 billion in budget authority for national defense programs (the President requested \$254.3 billion). In real terms, this bill will authorize \$5.6 billion less, and the President requested \$18.6 billion less, than was provided in fiscal year (FY) 1996.

**The Cohen modified amendment** would provide for the sale of specified amounts of certain minerals from the National Defense Stockpile through September 30, 2005. Those sales would be to offset the cost of waiving the recoupment fee for certain sales under the Foreign Military Sales (FMS) program. Sales would be conducted so as not to harm the domestic industries that produce those strategic minerals. As modified, the amendment would sell titanium sponge only to the extent that the sale of the other minerals did not produce enough funds to offset the cost of waiving recoupment fees. (By law, United States companies that sell defense equipment abroad through the FMS program are charged a fee by the Defense Department if that equipment was developed in part by the Defense Department. The Federal Government acts as a middleman in FMS sales. Last year's defense authorization bill, contingent upon the enactment of offsets, gave the President the authority to waive recoupment fees in two cases. First, he could waive a fee if failure to do so would result in a loss of the sale. Second, he could waive a fee for a sale of a defense item if doing so would result in lower unit costs for the Defense Department's purchases of that item.)

**Those favoring** the amendment contended:

Last year, the President, contingent upon the enactment of offsets, was given authority to waive FMS recoupment fees for defense equipment sales in two specific cases. First, he was given authority to waive fees in those cases in which failing to do so would result in the sales being lost. A fee obviously could not be collected if a sale were not made. Second, he was given authority to waive fees in those cases in which the United States would substantially offset the revenue loss by gaining unit cost savings on its purchases

(See other side)

YEAS (74)			NAYS (18)		NOT VOTING (8)	
Republicans (47 or 96%)	Democrats (27 or 63%)		Republicans (2 or 4%)	Democrats (16 or 37%)	Republicans (4)	Democrats (4)
Abraham	Hutchison	Baucus	Brown	Akaka	Chafee- <sup>2</sup>	Bumpers- <sup>2</sup>
Ashcroft	Jeffords	Biden	McCain	Bingaman	Cochran- <sup>2</sup>	Exon- <sup>2</sup>
Bennett	Kassebaum	Breaux		Boxer	Hatfield- <sup>2</sup>	Feinstein- <sup>3</sup>
Bond	Kempthorne	Bryan		Bradley	Inhofe- <sup>2</sup>	Pryor- <sup>2</sup>
Burns	Kyl	Byrd		Dorgan		
Campbell	Lott	Conrad		Feingold		
Coats	Lugar	Daschle		Glenn		
Cohen	Mack	Dodd		Graham		
Coverdell	McConnell	Ford		Harkin		
Craig	Murkowski	Heflin		Kennedy		
D'Amato	Nickles	Hollings		Lautenberg		
DeWine	Pressler	Inouye		Leahy		
Domenici	Roth	Johnston		Sarbanes		
Faircloth	Santorum	Kerrey		Simon		
Frahm	Shelby	Kerry		Wellstone		
Frist	Simpson	Kohl		Wyden		
Gorton	Smith	Levin				
Gramm	Snowe	Lieberman				
Grams	Specter	Mikulski				
Grassley	Stevens	Moseley-Braun				
Gregg	Thomas	Moynihan				
Hatch	Thompson	Murray				
Helms	Thurmond	Nunn				
	Warner	Pell				
		Reid				
		Robb				
		Rockefeller				

#### EXPLANATION OF ABSENCE:

1—Official Business  
2—Necessarily Absent  
3—Illness  
4—Other

#### SYMBOLS:

AY—Announced Yea  
AN—Announced Nay  
PY—Paired Yea  
PN—Paired Nay

of the items for which it waived fees. For instance, if the United States needed 10 items of a particular defense system, and another country wanted 100, allowing the sale of 100 to go forward would result in economies of scale that would make the 10 items purchased by the Government much cheaper. Though this waiver authority was enacted last year, it has not been put into effect because no offsets have been enacted yet to pay for its net cost. This year, the Administration has proposed specific sales of minerals from the strategic stockpile in order to provide the needed offsets, and has threatened to veto this bill if its proposal is not accepted. The Cohen amendment would simply accept the President's proposal. The only objections to this amendment of which we are aware are that it might result in unfriendly countries buying state-of-the-art U.S. defense technology and that it might depress the markets for the minerals that would be sold (thereby harming the domestic industries that produce those minerals). The first objection is baseless, because the amendment would only apply to FMS sales, which must be individually approved by the Government. The second objection is addressed in the amendment, first with a provision that would forbid the President to proceed with a sale of a mineral if it would hurt a domestic industry producing that mineral, and second with a provision providing special protection to titanium sponge producers. This second provision was added as a modification, and we believe that as a result most Senators are now willing to support the Cohen amendment. We urge Senators to join us in voting in favor of the amendment.

**No arguments were expressed in opposition to the amendment.**